



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
|-----------------|-------------|----------------------|---------------------|------------------|

09/282,747

03/31/1999

JAY S. WALKER

WD2-99-007

9049

22927

7590

02/27/2007

WALKER DIGITAL
2 HIGH RIDGE PARK
STAMFORD, CT 06905

EXAMINER

NGUYEN, TRI V

ART UNIT

PAPER NUMBER

1751

| SHORTENED STATUTORY PERIOD OF RESPONSE | MAIL DATE | DELIVERY MODE |
|--|-----------|---------------|
|--|-----------|---------------|

3 MONTHS

02/27/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/282,747

Applicant(s)

WALKER ET AL.

Examiner

Tri V. Nguyen

Art Unit

1751

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 September 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-31,35,36,41,42,49-56,60-65,72-77 and 80-101 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-31,35,36,41,42,49-56,60-65,72-77 and 80-101 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>05/2006</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. In the amendment filed on September 22, 2006, Claims 1 and 82 have been amended, Claims 32-34 have been cancelled and Claims 83-101 have been added. The currently pending claims considered below are Claims 1-31, 35, 36, 41, 42, 49-56, 60-65, 72-77 and 80-101.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 3-4, 8-21, 26-31, 35, 36, 41, 42, 49-56, 60-65, 72-77 and 80-101 are rejected under 35 USC 103(a) as being unpatentable over Katz et al., US 6,055,513 in view of "Selling a free phone" by Dana Spoor, Cellular Business vlln2, pp 58-62, Feb 1994, Dialog File 15, Record # 00825327, hereinafter Spoor.

Claim 1: Katz et al. discloses a method, comprising:

- a. before receiving an indication of at least one item selected by a customer for purchase from a first vendor, receiving, via an electronic network information relating to customer activity of a customer with a first vendor, in which the information indicates interest of the customer in purchasing at least one item from the first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- b. receiving an indication of at least one item selected by the customer to purchase from the first vendor, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6); but does not explicitly disclose

Art Unit: 1751

c. before receiving the indication of at least one item selected by the customer for purchase from the first vendor, providing to the customer, in response to the received information, an indication of an offer for a subsidy from a second vendor, wherein the offer for the subsidy is an offer for a reduction in price relative to a total price of a purchase from the first vendor; and

d. charging the customer a second price for the at least one item selected for purchase only if the offer is accepted, the second price being less than the associated total price.

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 3: Katz et al. and Spoor disclose the method of claim 1, in which the step of receiving information relating to customer activity comprises:
receiving information via at least one of a Web server, a telephone and a POS terminal (Katz et al.: col 19, line 24 to col 20, line 23).

Claim 4: Katz et al. and Spoor disclose the method of claim 1, wherein the indication of an offer for a subsidy is provided via at least one of e-mail, postal mail, and telephone (Katz et al.: col 15, lines 38-59).

Claim 8: Katz et al. and Spoor disclose the method of claim 1, in which the step of charging the customer the second price for the at least one item comprises:
charging the second price to an account in one transaction (Katz et al.: col 23, lines 27-39).

Art Unit: 1751

Claim 9: Katz et al. and Spoor disclose the method of claim 1, further comprising:
determining whether to provide an offer for a subsidy based on the information relating to customer activity (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 10: Katz et al. and Spoor disclose the method of claim 9, in which the step of determining whether to provide an offer for a subsidy based on the information relating to customer activity comprises:
determining if the information relating to customer activity satisfies at least one rule (Katz et al.: col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 11: Katz et al. and Spoor disclose the method of claim 1, further comprising:
determining if the information relating to customer activity satisfies at least one rule (Katz et al.: col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 12: Katz et al. and Spoor disclose the method of claim 11, in which the step of providing, in response to the received indication, an indication of an offer for a subsidy is performed if the information relating to customer activity satisfies at least one rule (Katz et al.: col 18, lines 6-15; col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 13: Katz et al. and Spoor disclose the method of claim 1, further comprising:
determining an offer for a subsidy from the second vendor based on the information relating to customer activity (Katz et al.: col 18, lines 6-15; col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 14: Katz et al. and Spoor disclose the method of claim 13, further comprising:
determining an offer for a subsidy from the second vendor based on a rule and the information relating to customer activity (Katz et al.: col 18, lines 6-15; col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 15: Katz et al. and Spoor disclose the method of claim 1, further comprising:

Art Unit: 1751

determining an offer for a subsidy from the second vendor if the information indicates a willingness to transact (Katz et al.: col 18, lines 6-15; col 21, lines 9-32; col 23, line 62 to col 25, line 10 and col 26, lines 4-12).

Claim 16: Katz et al. and Spoor disclose the method of claim 1, further comprising: receiving a response to the offer (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 17: Katz et al. and Spoor disclose the method of claim 16, further comprising: determining whether the response was received within a predetermined period of time (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 18: Katz et al. and Spoor disclose the method of claim 17, in which the step of charging is performed only if the response indicates acceptance of the offer and if the response was received within the predetermined period of time (Katz et al.: col 17, line 54 to col 18, line 15 and col 23, lines 27-39).

Claim 19: Katz et al. and Spoor disclose the method of claim 17, in which the predetermined period of time is a predetermined amount of time after the indication of an offer was provided (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 20: Katz et al. and Spoor disclose the method of claim 16, in which the step of charging is performed only if the response indicates acceptance of the offer (Katz et al.: col 17, line 54 to col 18, line 15 and col 26, lines 49-65).

Claim 21: Katz et al. and Spoor disclose the method of claim 1, in which the offer for the subsidy defines an obligation for the customer to fulfill in exchange for the subsidy; and further comprising: receiving an indication that the customer has fulfilled the obligation (Katz et al.: col 25, line 56-66).

Claim 26: Katz et al. and Spoor disclose the method of claim 1, further comprising:

Art Unit: 1751

initiating a new service agreement so that a particular service is provided to the customer by the second vendor (Katz et al.: col 23, line 62 to col 18, line 3).

Claim 27: Katz et al. and Spoor disclose the method of claim 26, in which the service comprises at least one of:

telephone service, Internet service, banking services, credit card account services, insurance service, securities trading service, utilities service, satellite television service, and cable television service. Katz et al. discloses offering a service but does not explicitly recite the particular details of the service (Katz et al.: col 23, line 62 to col 18, line 3). In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a phone at discount by offering a phone service plan to provide an incentive to the purchaser of the phone (Spoor: page 1, parag. 7-8 and page 2, parag.4). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 28: Katz et al. and Spoor disclose the method of claim 1, further comprising: facilitating a transaction between the customer and the second vendor (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 29: Katz et al. and Spoor disclose the method of claim 1, further comprising: soliciting and obtaining agreement by the customer to participate in a transaction with the second vendor (Katz et al.: col 17, line 54 to col 18, line 15).

Claim 30: Katz et al. and Spoor disclose the method of claim 29, further comprising: determining whether the customer participated in a transaction with the second vendor (Katz et al.: col 18, lines 30-39; col 23, lines 51-61 and col 24, lines 12-29).

Claim 31: Katz et al. and Spoor disclose the method of claim 29, further comprising:

Art Unit: 1751

assessing a penalty if the customer did not participate in the transaction. In an analogous art, Spoor teaches that it is known to assess a cancellation fee (Spoor: page 1, parag. 10). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the use of cancellation fee as taught by Spoor. One would have been motivated to modify the method implementing a penalty fee to deter the user from negating a transaction thus achieving greater profitability by maximizing the employed resources.

Claim 35: Katz et al. and Spoor disclose the method of claim 1, in which the offer defines at least one of:

- a. the second vendor (Katz et al.: col 23, line 62 to col 25, line 10); and
- b. an obligation for the customer to fulfill in exchange for the subsidy.

Claim 36: Katz et al. discloses a method, comprising:

- a. receiving, via an electronic network during a transaction, information relating to customer activity with a first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- b. receiving an indication of at least one item the customer desires to purchase, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- c. determining whether to provide an offer for a subsidy based on the information relating to customer activity (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

but does not explicitly disclose

- d. determining an offer for a subsidy from a second vendor, wherein the offer for the subsidy is an offer for a reduction in price relative to the total price;
- e. providing an indication of the offer for the subsidy from the second vendor;
- f. receiving a response to the offer; and
- g. charging, during the transaction, the customer a second price for the at least one item only if the response indicates that the offer is accepted, the second price being less than the total price.

Art Unit: 1751

Katz et al. recites the use of a second vendor to pay a first vendor regarding the payment of a service and charging a customer for an upsell (col 23, lines 27-39 and col 26, lines 49-65). In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 41: Katz et al. discloses a method, comprising the steps of:

- a. receiving, via an electronic network during a transaction, information relating to customer activity on a Web site of a first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- b. determining whether to provide an offer for a subsidy based on the information relating to customer activity (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- c. determining an offer for a subsidy from a second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- d. displaying, via a Web page on the Web site, an indication of the offer for the subsidy from the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- e. receiving customer input via the Web site, the customer input representing a response to the offer (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- f. receiving a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

Art Unit: 1751

g. receiving, during the transaction, a credit card identifier that identifies a credit card account (col 23, lines 27-39);

but does not explicitly disclose

h. charging a second price to the credit card account only if the response indicates that the offer is accepted, the second price being less than the total price.

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 42: Katz et al. discloses a method, comprising the steps of:

a. receiving, via an electronic network during a transaction, information relating to customer activity at a POS terminal of a first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6 –the website of the vendor is considered as the POS);

b. determining whether to provide an offer for a subsidy based on the information relating to customer activity (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

c. determining an offer for a subsidy from a second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

d. outputting at the POS terminal an indication of the offer for the subsidy from the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

e. receiving customer input via the POS terminal, the customer input representing a response to the offer (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

Art Unit: 1751

- f. receiving a selection of at least one item the customer desires to purchase, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- g. receiving, during the transaction, a credit card identifier that identifies a credit card account (col 23, lines 27-39);
but does not explicitly disclose
- h. charging a second price to the credit card account only if the response indicates that the offer is accepted, the second price being less than the total price.

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 49: Katz et al. discloses a method, comprising:

- a. receiving, via an electronic network during a transaction, information relating to customer activity of a customer with a first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- b. receiving an indication of at least one item the customer desires to purchase, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
but does not explicitly disclose
- c. providing, in response to the received information, an indication of an offer for a subsidy from a second vendor, wherein the offer for the subsidy is an offer for a reduction in price relative to the total price;
- d. receiving a response to the offer; and
- e. providing, during the transaction, the at least one item to the customer for free only if the response indicates acceptance of the offer.

Art Unit: 1751

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount (free product) via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 50: Katz et al. and Spoor disclose the method of claim 49, further comprising: providing a credit to the customer if the response indicates acceptance of the offer (col 27, lines 12-21).

Claims 51-53, 54-56, 60-62, 63-65 and 72-74 disclose the apparatus and the computer readable medium of the method Claims 1, 36, 41, 42 and 49 respectively. The prior arts of Katz et al. and Spoor as set forth above in Claims 1, 36, 41, 42 and 49 respectively are relied upon to reject Claims 1, 36, 41, 42 and 49 respectively.

Claim 75: Katz et al. and Spoor disclose the method of claim 1, wherein the act of charging the customer comprises:

- a. charging the customer a total price (col 23, lines 27-39); and
- b. crediting the customer an amount so that the customer pays the second price for the at least one item (col 26 lines 49-65 and Fig 6).

Claim 76: Katz et al. and Spoor disclose the method of claim 36, wherein the act of charging the customer comprises:

- a. charging the customer a total price (col 23, lines 27-39); and
- b. crediting the customer an amount so that the customer pays the second price for the at least one item (col 26 lines 49-65 and Fig 6).

Art Unit: 1751

Claim 77: Katz et al. and Spoor disclose the method of claim 4 1, wherein the act of charging a second price comprises:

- a. charging the total price to the credit card account (col 23, lines 27-39); and
- b. crediting an amount to the credit card account so that a net result is a charge of the second price for the at least one item to the credit card account (col 26 lines 49-65 and Fig 6).

Claim 80: Katz et al. and Spoor disclose the method of claim 49, wherein the act of providing the at least one item to the customer comprises:

- a. charging the customer the total price (col 23, lines 27-39); and
- but does not explicitly disclose
- b. crediting the customer an amount equal to the total price so that the customer receives the at least one item for free.

Katz et al. discloses the use of crediting the customer (col 23, lines 27-39). In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount (free product) via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 81: Katz et al. discloses a method, comprising the steps of

- a. receiving via an electronic network an indication that an item has been placed in a shopping cart of a Web site of first vendor, in which the item has an associated price;
- b. determining whether to provide an offer for a subsidy based on the received indication (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

Art Unit: 1751

- c. determining an offer for a subsidy from a second vendor, in which the offer includes a requirement to participate in a transaction with the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- d. displaying, during a transaction, an indication of the offer for the subsidy from the second vendor, in which the offer is displayed via a Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- e. receiving input representing a click of a button on the Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- f. determining, from the input, a response to the offer for the subsidy (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6); and
- g. selling, during the transaction, the item for a second price only if the response indicates that the offer is accepted, in which the second price is less than the price of the item.

Katz et al. recites steps b-f but does not explicitly disclose step a and g. The shopping cart limitation is seen as a design decision which is given little, if any, patentable weight. Katz et al. teaches the use of a website and recites the intention of purchasing. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz et al. to include shopping carts. One would have been motivated to allow for the modification of the method to simulate the shopping experience of the physical world.

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claim 82: Katz et al. discloses a method, comprising the steps of:

Art Unit: 1751

- a. receiving via an electronic network an indication that an item has been placed in a shopping cart of a Web site of first vendor, in which the item has an associated price;
- b. determining an amount (this step is implied in order to charge a customer);
- c. determining whether to provide an offer for a subsidy based on the received indication (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- d. determining an offer for a subsidy from a second vendor, in which the offer includes a requirement to participate in a transaction with the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- e. determining a subsidy amount (this step is implied in order to determine a subsidy offer);
- f. displaying, during a transaction, an indication of the offer for the subsidy from the second vendor, in which the offer is displayed via a Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- g. receiving input representing a click of a button on the Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- h. determining, from the input, a response to the offer for the subsidy (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- i. determining a second price based on the price of the item and the subsidy amount (this step is implied in order to charge a customer participating in the transaction)
- j. selling, during the transaction, the item for the second price only if the response indicates that the offer is accepted, in which the second price is less than the price of the item.

Katz et al. recites steps b-i but does not explicitly disclose step a and g. The shopping cart limitation is seen as a design decision which is given little, if any, patentable weight. Katz et al. teaches the use of a website and recites the intention of purchasing. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz et al. to include shopping carts. One would have been motivated to allow for the modification of the method to simulate the shopping experience of the physical world.

In an analogous art, Spoor teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to

Art Unit: 1751

the purchaser of the product (Spoor: page 1, parag. 7-8 and page 2, parag.4).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz, with the cross-marketing approach as taught by Spoor. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving greater profitability.

Claims 83-87: Katz et al. and Spoor disclose the method of claim 1, in which the information relating to customer activity comprises an indication of a mouse click on a predetermined portion of a Web page (Katz et al.: col 19, line 59 to col 20, line 23), a mouse-over on a predetermined portion of a Web page (Katz et al.: col 19, line 59 to col 20, line 23) but do not explicitly disclose a mouse click on a predetermined banner advertisement, a mouse click on an indication of an item, or mouse-overs on predetermined portions of Web pages at least a predetermined number of times. The features of a mouse click on a predetermined banner advertisement, a mouse click on an indication of an item and mouse-overs on predetermined portions of Web pages at least a predetermined number of times are deemed to be obvious variants of monitoring the mouse cursor pattern on a specific webpage. Katz et al. and Spoor invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz et al. : col 10, lines 46-55 and Spoor: page 1, parag. 12). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al. and Spoor for various mouse tracking configurations. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

Claims 88-94: Katz et al. and Spoor disclose the method of claim 1, in which the information relating to customer activity comprises an indication of accessing predetermined Web pages (Katz et al.: col 19, line 59 to col 20, line 23), accessing a predetermined number of predetermined Web pages (Katz et al.: col 19, line 59 to col 20, line 23) but do not explicitly disclose a search that is performed for a predetermined product, accessing predetermined Web pages in a predetermined sequence, accessing

predetermined Web pages during a predetermined time period; a duration that the Web site is open or previous access to a predetermined Web site at least a predetermined number of times. The features of a search that is performed for a predetermined product, accessing predetermined Web pages in a predetermined sequence, accessing predetermined Web pages during a predetermined time period; a duration that the Web site is open or previous access to a predetermined Web site at least a predetermined number of times are deemed to be obvious variants of monitoring the browsing pattern of a potential customer. Katz et al. and Spoor invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz et al. : col 10, lines 46-55 and Spoor: page 1, parag. 12). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al. and Spoor for various browsing patterns. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

Claims 95-101: Katz et al. and Spoor disclose the method of claim 1, in which the information relating to customer activity comprises an indication of at least a predetermined number of previous purchases from the first vendor (Katz et al.: col 24, lines 12-29) but do not explicitly disclose a predetermined number of items that a customer is ready to purchase from the first vendor, a predetermined item that the customer is ready to purchase from the first vendor, a duration that an item is selected for purchase, requesting a coupon for a predetermined item, an item having at least a predetermined price that the customer is ready to purchase from the first vendor, or a frequent shopper status of the customer. The features of a predetermined number of items that a customer is ready to purchase from the first vendor, a predetermined item that the customer is ready to purchase from the first vendor, a duration that an item is selected for purchase, requesting a coupon for a predetermined item, an item having at least a predetermined price that the customer is ready to purchase from the first vendor, or a frequent shopper status of the customer are deemed to be obvious variants of monitoring the browsing pattern, buying interest and status of a potential customer. Katz et al. and Spoor invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz

Art Unit: 1751

et al. : col 10, lines 46-55 and Spoor: page 1, parag. 12). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al. and Spoor for various browsing patterns. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

4. Claim 2 is rejected under 35 U.S.C. 103(a) as unpatentable over Katz in view of Spoor as applied to claim 1 and further in view of the article "Can mixing "cookies" with online marketing be a recipe for heartburn" by Ed Foster, Infoworld v18n30, pp54, Jul. 22, 1996.

Claim 2: Katz et al. and Spoor disclose the method of claim 1, but does not explicitly disclose in which the step of receiving information relating to customer activity comprises:

reading information from a cookie.

Katz et al. teaches automatic user activity tracking (col. 21 lines 32-67). In an analogous art, Forster teaches the use of cookies to gain information about customer (abstract lines 1-6). It would have been obvious to one skilled in the art at the time the invention was made, to complement Katz/Spoor's automatic user activity tracking teaching with the cookie technology, as it becomes know, because it is a powerful tool for gathering data about users' activities on the Internet to enhance Katz/Spoor's upsell profiling/targeting method (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6).

5. Claims 5-7 are rejected under 35 USC 103(a) as being unpatentable over Katz in view of Spoor and further in view of Kanter, US 5537314.

Claim 5, Katz et al. and Spoor disclose the step of charging the price for the at least one item comprises:

a. charging the customer the total price (col 23, lines 27-39);

but does not specifically teach that crediting an amount of funds to an account, the amount of funds being based on a difference between the total price and the second

Art Unit: 1751

price. However, Spoor implicitly discloses calculating the total price then deducting the total credit to arrive at the final cost of the phone to make it free. Further Kanter teaches crediting an amount of funds to a credit card account for incentive amounts (col. 7 lines 26-40, col. 8 lines 14-45). It would have been obvious to one skilled in the art at the time the invention was made to add to Katz/Spoor teachings, Kanter's specific teaching of crediting the incentive to an account to accommodate such discounting systems as used by second vendors and thus increase the flexibility of the system.

Claim 6: Katz et al., Spoor and Kanter disclose the step of consummating/billing the second transaction is performed after the step of charging the total price for the first transaction (Katz et al.: Fig. 7 items 238,264 and associated text: 2nd transaction performed after the first one). Thus logically in a discount situation as in Katz/poor, the credit would be given after the charging the total price.

Claim 7: Katz et al., Spoor and Kanter disclose the method of claim 5, in which the step of crediting comprises:

crediting the amount of funds to a credit card account.

Katz et al. teaches the step of crediting comprises crediting the amount of funds to a credit card account (col 9, line 65 to col 10, line 24).

6. Claims 22-25 are rejected under 35 U.S.C. 103(a) as unpatentable over Katz in view of Spoor and further in view of the article "Credit Card firms drive down costs" by Stephen Ellis, Times Newspapers Limited, Sunday times, Feb. 27, 1994.

As to Claims 22, 24 and 25 neither Katz nor Spoor teaches the step of receiving an indication that the customer has fulfilled the obligation comprises receiving an indication that the customer has switched service providers. However, Ellis discloses a system where advertisers offer incentives to users to switch to their credit card account services (consumers are encouraged to switch credit card service providers to lower interest rates on transferred balances, see page 1, paragraph 7): It would have been obvious to one skilled in the art at the time the invention was made to complement the Katz/Spoor's teachings (of upselling when a customer is ready to buy based on the primary

transaction and user profiling and for offering subsidies to entice taking chances with the second vendor) with the teaching of Ellis as to providers switching to permit that class of advertisers to implement their advertising method on the Katz/Spoor method and take advantage of Katz's upsell profiling/targeting methods.

Claim 23: Katz et al., Spoor and Ellis disclose second vendors monitoring contract fulfillment by customers (penalties for breach in Spoor). Thus Katz and Spoor teach the step of receiving an indication that the customer has fulfilled the obligation with the second vendor comprises: determining a new customer of the second vendor; and determining if the new customer had been made an offer (of a subsidy in Spoor). In the case of switching providers as taught by the Katz/Spoor/Ellis system, Katz/Spoor thus discloses the step of receiving an indication that the customer has switched service providers comprises:

- a. determining a new customer of the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6); and
- b. determining if the new customer had been made a subsidy (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6).

Response to Arguments

7. Applicant's arguments filed on September 22, 2006 have been fully considered but they are not persuasive.

- a. In response to applicant's argument concerning improper motivation to combine references (page 33 et seq.), the examiner recognizes that references cannot be arbitrarily combined and that there must be some reason why one skilled in the art would be motivated to make the proposed combination of primary and secondary references. In re Nomiya, 184 USPQ 607 (CCPA 1975). However, the examiner asserts that it is not necessary that a reference actually suggest changes or possible improvements which the applicant made, as stated in In re Sheckler, 168 USPQ 716 (CCPA 1971). The

Patent & Trademark Office can satisfy the burden under § 103 to establish a prima facie case of obviousness "by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." *In re Fine*, 5 USPQ2d 1596, 1598 (CA FC 1988). Therefore, the test for combining references is what the combination of disclosures taken as a whole would suggest to one of ordinary skill in the art. *In re McLaughlin*, 170 USPQ 209 (CCPA 1971). For clarification purposes, in the instant case, Katz et al. disclose the feature of marketing to a potential customer on a website by accessing the customer's background such as location and prior purchases and monitoring browsing pattern (see at least col 10, lines 46-55). Furthermore, Katz et al. teach the feature of various marketing schemes to entice the customer to buy a product or service (see at least col 16, line 63 et seq.). The Spoor reference teach a cross-marketing approach in which a customer's background and intentions are used to entice the customer to buy a product whose price is subsidized by a second party (see at least page 1, parag. 7, 8, 12 and page 2, parag. 4). The combination is based on the implementation of the marketing approach taught by the Spoor reference into the marketing method of Katz et al. Therefore, it would have been obvious to a skilled artisan in the marketing art to combine the teachings of Katz et al. and Spoor to arrive at the instant claim 1.

b. In response to applicant's argument that the Katz et al. reference "is devoid of a hint of a subsidy" (page 34), the examiner respectfully disagrees as the coupon of Katz et al. (see at least col 18, line 8) is considered a subsidy feature.

c. In response to applicant's argument that the Spoor reference is "limited to specific aspects of the cellular telephone service industry" and "only teaches that pre-

Art Unit: 1751

determined combinations of items are pre-package for sale" (page 33 et seq.). The examiner remarks that the basis of the combination is the overall marketing schemes/features of cross-marketing between various products as taught by the Spoor reference.

d. In response to applicant's argument that none of the prior art references teach the feature of "a second (lower) price is charged only if an offer of a subsidy is accepted" (page 34 et seq.). The examiner respectfully disagrees as the Spoor reference teaches that the lower price (free phone) is charged if the customer accepts the offer of a subsidy thus the full price is charged without the subsidy (see at least page 1, parag. 7, 8, 12 and page 2, parag. 4).

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- a. Middleton, III et al. (US 6,393,407) disclose tracking web browsing interactions for marketing purposes.
- b. Petras et al. (US 6,965,870) teach activity response telemarketing.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

Art Unit: 1751

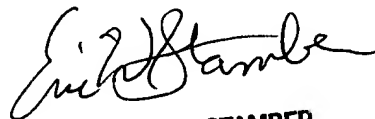
will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tri V. Nguyen whose telephone number is (571) 272-6965. The examiner can normally be reached on M-F 8:00 AM to 5:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Douglas McGinty can be reached on (571) 272-1029 and Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

NVT
February 20, 2007


ERIC W. STAMBER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3800